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**COMMITTEES:**  
ECONOMIC DEVELOPMENT AND  
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TRANSPORTATION, VICE CHAIR  
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Dear Chairman Tedder and committee members:

Before you today in the Tax Policy Committee is the Michigan Thrive Initiative, Senate Bills 111 – 115. When we took it up in my Senate Economic Development Committee, there were roughly 60 cards of support with zero recorded opposition. The bills passed our committee 7-0, and the full Senate with a vote of 27-6.

We introduced these bills with the purpose of helping our state recover from the “lost decade.” In the last U.S. census, Michigan was the only state in the nation to lose population. In the same timeframe, we also lost 420,000 manufacturing jobs. We immediately felt the effect on our General Fund and School Aid Fund.

My goal as Chairman of the Economic Development Committee has been to restore those manufacturing jobs and invite back the half million productive people who moved out of our state. I was supportive of the tax policy changes we made in 2011 and worked hard to help reform our regulatory structure to help make Michigan a better place to create jobs.

The economic gardening strategy of that time has worked well but it’s time to take the next step. Industrial states including Indiana, Ohio and Illinois have aggressive plans to steal our jobs and more of our people. They’re playing hardball and it’s time for us to get out of the bleacher seats.

MIThrive is built on rock solid principles which begin with ensuring that taxpayers aren’t stuck with the bill for brownfield cleanups anywhere in this state. It strives to help communities pull themselves up by their own bootstraps. Take the Pontiac Silverdome for example; the roof has long since collapsed, and during committee testimony the mayor of Pontiac referred to it as the “world’s largest birdbath.” It would be immoral to count on Michigan taxpayers having to foot the bill for the demolition, hauling and environmental cleanup that is required at the Silverdome site. It is equally unfair for this Legislature to tell the city of Pontiac that it is condemned to suffer that blight for another three or four decades.

Some suggest that if a development is worth doing, wealthy developers should do it on their own. I can’t think of a developer in his or her right mind who would go in and fund these types of cleanups with their own money. That’s why for decades they’ve chosen to develop on clean, ready-to-go cheaper real estate nearby. There are other physical and financial limitations and roadblocks that have prevented development on a dozen or more known sites in Michigan. Overcoming these obstacles is what we refer to as “closing the gap”. The heart of this bill package proposes that a developer, with their own private resources, could be reimbursed for the “gap” with funds generated specifically and solely on the developed site.

For years Michigan has offered incentives to clean up brownfield sites. But as was recently pointed out in the House Appropriations Environmental Quality Subcommittee, the state is running out of funds to clean up brownfields. In 1998, the Clean Michigan Initiative bonds were approved under Governor John Engler to contribute \$335 million to environmental cleanup and brownfield redevelopment efforts. This funding

will be exhausted by the end of 2017. MIThrive gives Michigan a private sector tool to redevelop brownfields as these public funds dry up.

It's important to remember that MIThrive is brownfield based and can only be kick-started by local agreement. After local approval, potential projects would be reviewed internally by the state and required to undergo a third-party analysis. A project could only capture what is required to close the gap. It must by law demonstrate a net fiscal gain to the state. There are other safety valves and caps that make these bills highly accountable and transparent.

With the passage of this bill package, middle-class taxpayers will see communities like Saginaw become self-reliant. Currently, the state provides 26 Michigan State Police Personnel to Saginaw and 41 in Flint as part of the Secure Cities Partnership. With Saginaw's decades of blight and population loss and resulting poverty, Michigan taxpayers are paying for additional social programs, higher healthcare costs, increased education costs, and for ongoing blight reduction programs. Help me to help Michigan cities, such as Saginaw, grow out of their dependency on Lansing dollars.

As I close this testimony, I want to share a thought from fellow bill sponsor Senator Jack Brandenburg. "Lately, some of my conservative friends have asked me why I support the transformational brownfield economic development bills. My thinking is this, right now the state is getting 100% of nothing. By passing this legislation, we will get 50% of something. This is good legislation and that comes from a conservative who has owned his own business for 37 years."

This is a crisp, clean solution to some pretty weighty problems throughout the state. I am confident that this is the right policy for Michigan.



Kenneth B. Horn  
State Senator  
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